

EXHIBIT A

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Substantively Consolidated SIPA Liquidation of
Bernard L. Madoff Investment Securities LLC and Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (BRL)

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

JACOB M. DICK REV LIVING TRUST DTD
4/6/01, individually and as tenant in common,

Adv. Pro. No. 10-_____ (BRL)

ESTATE OF JACOB M. DICK, as grantor of the
Jacob M. Dick Rev Living Trust Dtd 4/6/01,

ANDREA J. MARKS, as trustee and beneficiary of
the Jacob M. Dick Rev Living Trust Dtd 4/6/01, as
executor and beneficiary of the Estate of Jacob M.
Dick, and as trustee of the Article 8.1 Trust created
under the Jacob M. Dick Rev Living Trust Dtd
4/6/01,

R. D. A., a minor, as beneficiary of the Article 8.1
Trust created under the Jacob M. Dick Rev Living
Trust Dtd 4/6/01,

RIO JOCELYN BREEN, as beneficiary of the
Article 8.1 Trust created under the Jacob M. Dick
Rev Living Trust Dtd 4/6/01,

ARTICLE 8.1 TRUST,

SUZANNE BREEN, as beneficiary of the Estate of
Jacob M. Dick and the Jacob M. Dick Rev Living
Trust Dtd 4/6/01, and

DOUGLAS J. STURLINGH, as beneficiary of the
Estate of Jacob M. Dick and the Jacob M. Dick Rev
Living Trust Dtd 4/6/01,

Defendants.

COMPLAINT

Irving H. Picard (the “Trustee”), as trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.* (“SIPA”),¹ and the substantively consolidated estate of Bernard L. Madoff individually (“Madoff”), by and through his undersigned counsel, for his complaint (the “Complaint”), states as follows:

¹ For convenience, future reference to SIPA will not include “15 U.S.C.”

NATURE OF PROCEEDING

1. This adversary proceeding arises from the massive Ponzi scheme perpetrated by Madoff. Over the course of the scheme, there were more than 8,000 client accounts at BLMIS. In early December 2008, BLMIS generated client account statements for its approximately 4,900 open client accounts. When added together, these statements purport that clients of BLMIS had approximately \$65 billion invested with BLMIS. In reality, BLMIS had assets on hand worth a small fraction of that amount. On March 12, 2009, Madoff admitted to the fraudulent scheme and pled guilty to 11 felony counts, and was sentenced on June 29, 2009 to 150 years in prison. The within defendants Jacob M. Dick Rev Living Trust Dtd 4/6/01, individually and as tenant in common with non-party June Pollack; Article 8.1 Trust, created under the Jacob M. Dick Rev Living Trust Dtd 4/6/01 (together, the “Trusts”); Estate of Jacob M. Dick, as Grantor of the Jacob M. Dick Rev Living Trust Dtd 4/6/01; and Andrea J. Marks, as Trustee of the Trusts and as executor of the Estate of Jacob M. Dick under the Last Will and Testament of Jacob M. Dick (the “Will”) (“Defendants”) received avoidable transfers from BLMIS.

2. Defendants were beneficiaries of this Ponzi scheme. Since December 11, 2002, Defendants received the amount of \$1,959,027 from BLMIS. The Trustee’s investigation has revealed that \$1,837,449 of this amount represented fictitious profits from the Ponzi scheme. Accordingly, Defendants have received \$1,837,449 of other people’s money. Upon information and belief, Defendants Jacob M. Dick Rev Living Trust Dtd 4/6/01; Andrea J. Marks, Suzanne Breen and Douglas J. Sturlingh, as beneficiaries of the Jacob M. Dick Rev Living Trust Dtd 4/6/01 and the Estate of Jacob M. Dick; and R. D. A., a minor, and Rio Jocelyn Breen, as beneficiaries of the Article 8.1 Trust (“Subsequent Transferee Defendants”) received subsequent transfers of the avoidable transfers referenced above. To the extent the funds transferred from BLMIS were for the benefit of the Subsequent Transferee Defendants, Subsequent Transferee

of New York. Defendant and Subsequent Transferee Defendant Jacob M. Dick Rev Living Trust Dtd 4/6/01 holds BLMIS accounts in the names, “Jacob M. Dick Rev Living Trust Dtd 4/6/01” and “Jacob M. Dick Rev Living Trust Dtd 4/6/01 and June Dick TIC,” with both account addresses reported as Woodmere, New York.

8. Upon information and belief, Defendant Estate of Jacob M. Dick, as successor to decedent Jacob M. Dick, is the grantor of the Jacob M. Dick Rev Living Trust Dtd 4/6/01. Jacob M. Dick died on June 22, 2008. Jacob M. Dick’s Will was admitted to probate in the Surrogate’s Court of the State of New York, County of Nassau, on May 9, 2006. Letters Testamentary were issued to Andrea J. Marks as executor on September 2, 2008.

9. Upon information and belief, Defendant and Subsequent Transferee Defendant Andrea J. Marks maintains her residence in Woodmere, New York. Andrea J. Marks is the daughter of decedent Jacob M. Dick. She is the executor and beneficiary of the Estate of Jacob M. Dick under the Will, trustee and beneficiary of the Jacob M. Dick Rev Living Trust Dtd 4/6/01, and trustee of the Article 8.1 Trust.

10. Upon information and belief, Defendant Article 8.1 Trust was created under the Jacob M. Dick Rev Living Trust Dtd 4/6/01. It was created for the benefit of decedent Jacob M. Dick’s grandchildren, R. D. A., a minor, and Rio Jocelyn Breen.

11. Upon information and belief, Defendant R. D. A., a minor, maintains his residence in Woodmere, New York. R. D. A. is the grandson of decedent Jacob M. Dick, the son of Andrea J. Marks and is a beneficiary of the Article 8.1 Trust created under the Jacob M. Dick Rev Living Trust Dtd 4/6/01.

12. Subsequent Transferee Defendant Rio Jocelyn Breen maintains her residence in Boca Raton, Florida. Rio Jocelyn Breen is the granddaughter of decedent Jacob M. Dick, the

daughter of Subsequent Transferee Defendant Suzanne Breen, and is a beneficiary of the Article 8.1 Trust created under the Jacob M. Dick Rev Living Trust Dtd 4/6/01.

13. Upon information and belief, Subsequent Transferee Defendant Suzanne Breen maintains her residence in Boca Raton, Florida. Suzanne Breen is the daughter of decedent Jacob M. Dick and a beneficiary of the Jacob M. Dick Rev Living Trust Dtd 4/6/01 and the Estate of Jacob M. Dick under the Will.

14. Upon information and belief, Subsequent Transferee Defendant Douglas J. Sturlingh maintains his residence in Clearwater, Florida. Douglas J. Sturlingh is the son of decedent Jacob M. Dick and is a beneficiary of the Jacob M. Dick Rev Living Trust Dtd 4/6/01 and the Estate of Jacob M. Dick under the Will.

BACKGROUND, THE TRUSTEE AND STANDING

15. On December 11, 2008 (the “Filing Date”),² Madoff was arrested by federal agents for violation of the criminal securities laws, including, *inter alia*, securities fraud, investment adviser fraud, and mail and wire fraud. Contemporaneously, the Securities and Exchange Commission (“SEC”) filed a complaint in the District Court which commenced the District Court Proceeding against Madoff and BLMIS. The District Court Proceeding remains pending in the District Court. The SEC complaint alleged that Madoff and BLMIS engaged in fraud through the investment advisor activities of BLMIS.

16. On December 12, 2008, The Honorable Louis L. Stanton of the District Court entered an order appointing Lee S. Richards, Esq. (the “Receiver”) as receiver for the assets of BLMIS.

² Section 78III(7)(B) of SIPA states that the filing date is “the date on which an application for a protective decree is filed under 78eee(a)(3),” except where the debtor is the subject of a proceeding pending before a United States court “in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term ‘filing date’ means the date on which such proceeding

17. On December 15, 2008, pursuant to section 78eee(a)(4)(A) of SIPA, the SEC consented to a combination of its own action with an application of the Securities Investor Protection Corporation (“SIPC”). Thereafter, pursuant to section 78eee(a)(4)(B) of SIPA, SIPC filed an application in the District Court alleging, *inter alia*, that BLMIS was not able to meet its obligations to securities customers as they came due and, accordingly, its customers needed the protections afforded by SIPA.

18. Also on December 15, 2008, Judge Stanton granted the SIPC application and entered an order pursuant to SIPA (the “Protective Decree”), which, in pertinent part:

- a. appointed the Trustee for the liquidation of the business of BLMIS pursuant to section 78eee(b)(3) of SIPA;
- b. appointed Baker & Hostetler LLP as counsel to the Trustee pursuant to section 78eee(b)(3) of SIPA; and
- c. removed the case to this Court pursuant to section 78eee(b)(4) of SIPA.

By this Protective Decree, the Receiver was removed as Receiver for BLMIS.

19. By orders dated December 23, 2008 and February 4, 2009, respectively, the Bankruptcy Court approved the Trustee’s bond and found that the Trustee was a disinterested person. Accordingly, the Trustee is duly qualified to serve and act on behalf of the estate of BLMIS.

20. At a Plea Hearing on March 12, 2009 in the case captioned *United States v. Madoff*, Case No. 09-CR-213(DC), Madoff pled guilty to an eleven-count criminal information filed against him by the United States Attorneys’ Office for the Southern District of New York. At the Plea Hearing, Madoff admitted that he “operated a Ponzi scheme through the investment

was commenced.” 15 U.S.C. § 78lll(7)(B). Thus, even though the application for a protective decree was filed on December 15, 2008, the Filing Date in this action is December 11, 2008.

advisory side of [BLMIS].” Plea Allocation of Bernard L. Madoff at 23, *United States v. Madoff*, No. 09-CR-213 (DC) (S.D.N.Y. March 12, 2009) (Docket No. 50). Additionally, Madoff asserted “[a]s I engaged in my fraud, I knew what I was doing [was] wrong, indeed criminal.” *Id.* Madoff was sentenced on June 29, 2009 to 150 years in prison.

21. On August 11, 2009, a former BLMIS employee, Frank DiPascali, pled guilty to participating in and conspiring to perpetuate the Ponzi scheme. At a Plea Hearing on August 11, 2009 in the case entitled *United States v. DiPascali*, Case No. 09-CR-764 (RJS), DiPascali pled guilty to a ten-count criminal information. Among other things, DiPascali admitted that the fictitious scheme had begun at BLMIS since at least the 1980s. Plea Allocation of Frank DiPascali at 46, *United States v. DiPascali*, No. 09-CR-764 (RJS) (S.D.N.Y. Aug. 11, 2009) (Docket No. 11).

22. As the Trustee appointed under SIPA, the Trustee is charged with recovering and paying out customer property to BLMIS’ customers, assessing claims, and liquidating any other assets of the firm for the benefit of the estate and its creditors. The Trustee is in the process of marshalling BLMIS’ assets, and the liquidation of BLMIS’ assets is well underway. However, such assets will not be sufficient to reimburse the customers of BLMIS for the billions of dollars that they invested with BLMIS over the years. Consequently, the Trustee must use his authority under SIPA and the Bankruptcy Code to pursue recovery from customers who received preferences and/or payouts of fictitious profits to the detriment of other defrauded customers whose money was consumed by the Ponzi scheme. Absent this or other recovery actions, the Trustee will be unable to satisfy the claims described in subparagraphs (A) through (D) of SIPA section 78fff-2(c)(1).

23. Pursuant to section 78fff-1(a), the Trustee has the general powers of a bankruptcy trustee in a case under the Bankruptcy Code in addition to the powers granted by SIPA pursuant to SIPA section 78fff(b). Chapters 1, 3, 5 and subchapters I and II of chapter 7 of the Bankruptcy Code apply to this proceeding to the extent consistent with SIPA.

24. Pursuant to sections 78fff(b) and 78lll(7)(B) of SIPA, the Filing Date is deemed to be the date of the filing of the petition within the meaning of section 548 of the Bankruptcy Code and the date of the commencement of the case within the meaning of section 544 of the Bankruptcy Code.

25. The Trustee has standing to bring these claims pursuant to section 78fff-1(a) of SIPA and the Bankruptcy Code, including sections 323(b) and 704(a)(1), because, among other reasons:

- a. the Defendants received “Customer Property” as defined in 15 U.S.C. §78lll(4);
- b. BLMIS incurred losses as a result of the claims set forth herein;
- c. BLMIS’ customers were injured as a result of the conduct detailed herein;
- d. SIPC has not reimbursed, and statutorily cannot fully reimburse, all customers for all of their losses;
- e. the Trustee will not be able to fully satisfy all claims;
- f. the Trustee, as bailee of customer property, can sue on behalf of the customer bailors;
- g. the Trustee is the assignee of claims paid, and to be paid, to customers of BLMIS who have filed claims in the liquidation proceeding (such claim-filing customers, collectively, “Accountholders”). As of the date hereof, the Trustee has received multiple express

unconditional assignments of the applicable Accountholders' causes of action, which actions could have been asserted against Defendants and Subsequent Transferee Defendants. As assignee, the Trustee stands in the shoes of persons who have suffered injury in fact and a distinct and palpable loss for which the Trustee is entitled to reimbursement in the form of monetary damages. The Trustee brings this action on behalf of, among others, those defrauded customers of BLMIS who invested more money in BLMIS than they withdrew; and

h. SIPC is the subrogee of claims paid, and to be paid, to customers of BLMIS who have filed claims in the liquidation proceeding. SIPC has expressly conferred upon the Trustee enforcement of its rights of subrogation with respect to payments it has made and is making to customers of BLMIS from SIPC funds.

THE FRAUDULENT PONZI SCHEME

26. Founded in 1959, BLMIS began operations as a sole proprietorship of Madoff and later, effective January 2001, formed as a New York limited liability company wholly owned by Madoff. Since in or about 1986, BLMIS operated from its principal place of business at 885 Third Avenue, New York, New York. Madoff, as founder, proprietor, chairman, and chief executive officer, ran BLMIS together with several family members and a number of additional employees. BLMIS was registered with the SEC as a securities broker-dealer under section 15(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(b). By that registration, BLMIS is a member of SIPC. BLMIS had three business units: investment advisory (the "IA Business"), market making and proprietary trading.

27. For certain accounts in the IA Business, BLMIS purported to participate in a capital appreciation/depreciation strategy, depending on whether the customer sought to generate gains or losses. For example, the strategy was executed by either purporting to purchase small groups of securities near lows and then purporting to sell those same securities at highs, or by

detection of the fraud, to retain existing investors and to lure other investors into the Ponzi scheme.

34. During the scheme, certain investors requested and received distributions of the so-called “profits” listed for their accounts which were nothing more than fictitious profits. Other investors, from time to time, redeemed or closed their accounts, or removed portions of purportedly available funds, and were paid consistently with the statements they had been receiving. Some of those investors later re-invested part or all of those withdrawn payments with BLMIS.

35. When payments were made to or on behalf of these investors, including Defendants, the falsified monthly statements of accounts reported that the accounts of such investors included substantial gains. In reality, BLMIS had not invested the investors’ principal as reflected in customer statements. In an attempt to conceal the ongoing fraud and thereby hinder, delay or defraud other current and prospective investors, BLMIS paid to or on behalf of certain investors the inflated amounts reflected in the falsified financial statements, including principal and/or fictitious profits.

36. BLMIS used the funds deposited from new investments to continue operations and pay redemption proceeds to or on behalf of other investors and to make other transfers. Due to the siphoning and diversion of new investments to fund redemptions requested by other investors, BLMIS did not have the funds to pay investors on account of their new investments. BLMIS was able to stay afloat only by using the principal invested by some clients to pay other investors or their designees.

37. In an effort to hinder, delay or defraud authorities from detecting the fraud, BLMIS did not register as an Investment Advisor until September 2006.

-14-

York, New York for application to the Accounts and the purported conducting of trading activities. Between the date the Accounts were opened and the Filing Date, Defendants made deposits to BLMIS through checks and/or wire transfers into the BLMIS Bank Account and/or received inter-account transfers from other BLMIS accounts.

43. During the six years prior to the Filing Date, BLMIS made transfers (collectively, the “Transfers”) to Defendants totaling at least \$1,837,449 in fictitious profits from the Ponzi scheme. The Transfers received by Defendants constitute non-existent profits supposedly earned in the Account, but, in reality, they were other people’s money. The Transfers were made to or for the benefit of Defendants and are set forth in Columns 10 and 11 on Exhibit B annexed hereto.

44. The Transfers that are avoidable and recoverable under sections 544(b), 550(a)(1) and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3), and applicable provisions of N.Y. CPLR 203(g) (McKinney 2001) and DCL sections 273 – 279 (McKinney 2001) total at least \$1,837,449 and are referred to hereafter as the “Six Year Transfers.” See Exhibit B, Column 11. The Transfers that are avoidable and recoverable under sections 548(a), 550(a)(1) and 551 of the Bankruptcy Code and applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3) total at least \$1,681,299 and are referred to hereafter as the “Two Year Transfers.” See Exhibit B, Column 10.

45. On information and belief, the amount of \$1,046,002 or more of the Transfers was subsequently transferred by Defendant Jacob M. Dick Rev Living Trust Dtd 4/6/01, as tenant in common, to Subsequent Transferee Defendant Jacob M. Dick Rev Living Trust Dtd 4/6/01, individually. Also on information and belief, some of the Transfers were subsequently

transferred by Defendants to Subsequent Transferee Defendants as beneficiaries of Trusts and of the Estate of Jacob M. Dick under the Will (collectively, the “Subsequent Transfers”).

46. The Subsequent Transfers, or the value thereof, are recoverable from Subsequent Transferee Defendants pursuant to §550(a) of the Bankruptcy Code.

47. The Trustee’s investigation is ongoing and the Trustee reserves the right to (i) supplement the information regarding the Transfers, Subsequent Transfers and any additional transfers and (ii) seek recovery of such additional transfers.

48. To the extent that any of the avoidance and/or recovery counts may be inconsistent with each other, they are to be treated as being pled in the alternative.

COUNT ONE
FRAUDULENT TRANSFER - 11 U.S.C. §§ 548(a)(1)(A), 550(a) AND 551

49. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

50. Each of the Two Year Transfers was made on or within two years before the Filing Date.

51. Each of the Two Year Transfers constituted a transfer of an interest of BLMIS in property within the meaning of section 101(54) of the Bankruptcy Code and pursuant to section 78fff-2(c)(3) of SIPA.

52. Each of the Two Year Transfers was made by BLMIS with the actual intent to hinder, delay or defraud some or all of BLMIS’ then existing and/or future creditors.

53. Each of the Two Year Transfers constitutes a fraudulent transfer avoidable by the Trustee pursuant to section 548(a)(1)(A) of the Bankruptcy Code and recoverable from Defendants pursuant to section 550(a) of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA.

54. As a result of the foregoing, pursuant to sections 548(a)(1)(A), 550(a), and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT TWO
FRAUDULENT TRANSFER - 11 U.S.C. §§ 548(a)(1)(B), 550(a) AND 551

55. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

56. Each of the Two Year Transfers was made on or within two years before the Filing Date.

57. Each of the Two Year Transfers constituted a transfer of an interest of BLMIS in property within the meaning of section 101(54) of the Bankruptcy Code and pursuant to section 78fff-2(c)(3) of SIPA.

58. BLMIS received less than reasonably equivalent value in exchange for each of the Two Year Transfers.

59. At the time of each of the Two Year Transfers, BLMIS was insolvent, or became insolvent as a result of the Two Year Transfers.

60. At the time of each of the Two Year Transfers, BLMIS was engaged in a business or a transaction, or was about to engage in a business or transaction, for which any property remaining with BLMIS was an unreasonably small capital.

61. At the time BLMIS made each of the Two Year Transfers, BLMIS had incurred, was intending to incur, or believed that it would incur debts beyond its ability to pay them as the debts matured.

Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT FOUR
FRAUDULENT TRANSFER - NEW YORK DEBTOR AND CREDITOR LAW §§ 273
AND 278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a) AND 551

69. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

70. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

71. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

72. BLMIS did not receive fair consideration for any of the Six Year Transfers.

73. BLMIS was insolvent, or became insolvent as a result of the Six Year Transfers.

74. As a result of the foregoing, pursuant to DCL sections 273, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT FIVE
FRAUDULENT TRANSFER - NEW YORK DEBTOR AND CREDITOR LAW §§ 274,
278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a) AND 551

75. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

76. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

77. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

78. BLMIS did not receive fair consideration for any of the Six Year Transfers.

79. At the time BLMIS made each of the Six Year Transfers, BLMIS was engaged or was about to engage in a business or transaction for which the property remaining in its hands after each of the Six Year Transfers was an unreasonably small capital.

80. As a result of the foregoing, pursuant to DCL sections 274, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT SIX
FRAUDULENT TRANSFER - NEW YORK DEBTOR AND CREDITOR LAW §§ 275,
278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a) AND 551

81. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

82. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

92. As a result of the foregoing and the avoidance of the within Transfers, pursuant to DCL sections 278 and/or 279, sections 544(b), 548(a), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Subsequent Transferee Defendants (a) avoiding and preserving the Subsequent Transfers, (b) directing that the Subsequent Transfers be set aside, and (c) recovering the Subsequent Transfers, or the value thereof, from Subsequent Transferee Defendants for the benefit of the estate of BLMIS.

WHEREFORE, the Trustee respectfully requests that this Court enter judgment in favor of the Trustee and against Defendants as follows:

i. On the First Claim for Relief, pursuant to sections 548(a)(1)(A), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

ii. On the Second Claim for Relief, pursuant to sections 548(a)(1)(B), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

iii. On the Third Claim for Relief, pursuant to DCL sections 276, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

iv. On the Fourth Claim for Relief, pursuant to DCL sections 273, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

v. On the Fifth Claim for Relief, pursuant to DCL sections 274, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

vi. On the Sixth Claim for Relief, pursuant to DCL sections 275, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

vii. On the Seventh Claim for Relief as a result of the avoidance of the within Transfers, pursuant to DCL section 278 and/or 279, sections 544(b), 548, 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Subsequent Transfers, (b) directing that the Subsequent Transfers be set aside, and (c) recovering the Subsequent Transfers, or the value thereof, from Subsequent Transferee Defendants for the benefit of the estate of BLMIS;

viii. On all Claims for Relief, pursuant to federal common law and N.Y. CPLR 5001 and 5004 awarding the Trustee prejudgment interest from the date on which the Transfers were received;

ix. On all Claims for Relief, establishment of a constructive trust over the proceeds of the Transfers in favor of the Trustee for the benefit of BLMIS' estate;

x. On all Claims for Relief, assignment of Defendants' income tax refunds from the United States, state and local governments paid on fictitious profits during the course of the scheme;

xi. On all Claims for Relief, awarding the Trustee all applicable interest, costs, and disbursements of this action; and

xii. On all Claims for Relief, granting Plaintiff such other, further, and different relief as the Court deems just, proper and equitable.

Date: November 12, 2010
New York, New York

Of Counsel:

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Substantively Consolidated SIPA Liquidation
of Bernard L. Madoff Investment Securities
LLC and Bernard L. Madoff*

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BLMIS Account Name	BLMIS Account Number
JACOB M DICK REV LIVING TRUST DTD 4/6/01 AND JUNE DICK TIC	1CM325
JACOB M DICK REV LIVING TST DTD 4/6/01 DR JACOB DICK C/O AJ MARKS	1CM883

BLMIS ACCOUNT NO. ICM325 - JACOB M. BROWN TRUST DTD 4/6/01 LNS 9 UNL DICK TIC

to Declaration of Helen Davis Chaitman Pg 28 of 29

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11
Date	Transaction Description	Transaction Amount Reported in Customer Statement	Cash Deposits	Cash Withdrawals	Transfers of Principal In	Transfers of Principal Out	Balance of Principal	90-Day Preferential Transfers	2-Year Fraudulent Transfers	6-Year Fraudulent Conveances
4/27/1995	CHECK	10,000	10,000	-	-	-	10,000	-	-	-
4/27/1995	CHECK	344,000	344,000	-	-	-	354,000	-	-	-
4/27/1995	CHECK	12,000	12,000	-	-	-	366,000	-	-	-
4/27/1995	CHECK	583,000	583,000	-	-	-	949,000	-	-	-
4/27/1995	CHECK	51,000	51,000	-	-	-	1,000,000	-	-	-
4/1/1998	CHECK	(20,000)	-	(20,000)	-	-	980,000	-	-	-
4/9/1998	CHECK	(120,000)	-	(120,000)	-	-	860,000	-	-	-
7/1/1998	CHECK	(20,000)	-	(20,000)	-	-	840,000	-	-	-
10/1/1998	CHECK	(20,000)	-	(20,000)	-	-	820,000	-	-	-
12/21/1998	CHECK	(90,000)	-	(90,000)	-	-	730,000	-	-	-
1/4/1999	CHECK	(20,000)	-	(20,000)	-	-	710,000	-	-	-
4/1/1999	CHECK	(20,000)	-	(20,000)	-	-	690,000	-	-	-
7/1/1999	CHECK	(20,000)	-	(20,000)	-	-	670,000	-	-	-
10/1/1999	CHECK	(20,000)	-	(20,000)	-	-	650,000	-	-	-
12/21/1999	CHECK	(9,600)	-	(9,600)	-	-	640,400	-	-	-
1/3/2000	CHECK	(20,000)	-	(20,000)	-	-	620,400	-	-	-
1/10/2000	CHECK	(21,800)	-	(21,800)	-	-	598,600	-	-	-
4/3/2000	CHECK	(20,000)	-	(20,000)	-	-	578,600	-	-	-
4/12/2000	CHECK	(100,000)	-	(100,000)	-	-	478,600	-	-	-
4/12/2000	CHECK	(15,000)	-	(15,000)	-	-	463,600	-	-	-
6/6/2000	CHECK	(45,000)	-	(45,000)	-	-	418,600	-	-	-
7/3/2000	CHECK	(20,000)	-	(20,000)	-	-	398,600	-	-	-
10/2/2000	CHECK	(20,000)	-	(20,000)	-	-	378,600	-	-	-
12/27/2000	CHECK	(10,900)	-	(10,900)	-	-	367,700	-	-	-
1/2/2001	CHECK	(20,000)	-	(20,000)	-	-	347,700	-	-	-
1/10/2001	CHECK	(34,000)	-	(34,000)	-	-	313,700	-	-	-
4/2/2001	CHECK	(20,000)	-	(20,000)	-	-	293,700	-	-	-
6/15/2001	CHECK	(31,050)	-	(31,050)	-	-	262,650	-	-	-
7/2/2001	CHECK	(20,000)	-	(20,000)	-	-	242,650	-	-	-
10/1/2001	CHECK	(20,000)	-	(20,000)	-	-	222,650	-	-	-
12/14/2001	CHECK	(9,000)	-	(9,000)	-	-	213,650	-	-	-
12/14/2001	CHECK	(70,000)	-	(70,000)	-	-	143,650	-	-	-
12/14/2001	CHECK	(21,000)	-	(21,000)	-	-	122,650	-	-	-
1/2/2002	CHECK	(20,000)	-	(20,000)	-	-	102,650	-	-	-
4/1/2002	CHECK	(20,000)	-	(20,000)	-	-	82,650	-	-	-
6/12/2002	CHECK	(26,000)	-	(26,000)	-	-	56,650	-	-	-
7/1/2002	CHECK	(20,000)	-	(20,000)	-	-	36,650	-	-	-
10/1/2002	CHECK	(20,000)	-	(20,000)	-	-	16,650	-	-	-
1/2/2003	CHECK	(20,000)	-	(20,000)	-	-	(3,350)	-	-	(3,350)
1/8/2003	CHECK	(52,800)	-	(52,800)	-	-	(56,150)	-	-	(52,800)
4/1/2003	CHECK	(20,000)	-	(20,000)	-	-	(76,150)	-	-	(20,000)
7/1/2003	CHECK	(20,000)	-	(20,000)	-	-	(96,150)	-	-	(20,000)
10/1/2003	CHECK	(20,000)	-	(20,000)	-	-	(116,150)	-	-	(20,000)
1/2/2004	CHECK	(20,000)	-	(20,000)	-	-	(136,150)	-	-	(20,000)
4/1/2004	CHECK	(20,000)	-	(20,000)	-	-	(156,150)	-	-	(20,000)
5/26/2004	TRANS TO ICM88330 (ICM883)	(1,044,484) ^[1]	-	-	-	-	(156,150)	-	-	-
5/26/2004	TRANS TO ICM88430 (ICM884)	(983,823) ^[1]	-	-	-	-	(156,150)	-	-	-
3/7/2005	TRANS TO ICM88330 (ICM883)	(1,518) ^[1]	-	-	-	-	(156,150)	-	-	-
3/7/2005	TRANS TO ICM88430 (ICM884)	(1,012) ^[1]	-	-	-	-	(156,150)	-	-	-
Total:			\$ 1,000,000	\$ (1,156,150)	\$ -	\$ -	\$ (156,150)	\$ -	\$ -	\$ (156,150)

^[1] Although BLMIS statements reflect that funds were transferred out of this account on this date, these funds consisted entirely of fictitious profits which were never achieved and thus no funds were actually transferred out of the account on this date. Accordingly, the account balance has remained unchanged.

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^[1] Although BLMIS statements reflect that funds were transferred into this account on this date, these funds consisted entirely of fictitious profits which were never achieved and thus no funds were actually transferred into the account on this date. Accordingly, the account balance has remained unchanged.